GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1005
ANSWERED ON:27.07.2001
AUTONOMY TO SUBSIDIARIES OF SBI
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India has decided to grant autonomy to its subsidiaries;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the subsidiaries of SBI are not performing well; and

(d) if so, the names of such subsidiaries of the SBI and their role in implementation of priority sector banking?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b) :The seven associate banks of State Bank of India conduct business through Board of Directors in accordance with the provisions of the State Bank of India (Subsidiary Banks) Act, 1959 and General Regulations thereof. The associate banks enjoy functional autonomy and at present there is no proposal to amend the provisions of the State Bank of India (Subsidiary Banks) Act, 1959.

(c) : All the seven associate banks have earned a combined operating profit of Rs.1772.83 crores and a net profit of Rs.617.60 crores for the year ending 31.3.2001.

(d) : Lending to priority sector by all the seven associate banks has been more than the stipulated norm of 40% as on 31.3.2001.